

Special News Release

March 2009

Columbus City Council Authorizes the Imposition of the Costs of Outside Collection Agencies on Delinquent Taxpayers

Recent legislation passed by the Columbus City Council with an effective date of April 1, 2009, authorized all City Department Directors and elected officials to impose an administrative fee to cover the costs of delinquent debt collection by private collection agencies and to allow for the imposition of that fee upon the delinquent debtor. A copy of this legislation has been provided for your reference.

The Columbus City Auditor published the following Public Notice on February 28 and March 7, 2009:

In accordance with Ordinance No. 0130-2009, any Department Director, Elected Official, or their designee, who are charged with the responsibility of collecting monies owed the City of Columbus, may refer that debt to an outside collection agency and impose the cost of said collection agency services to the delinquent debtor. As the Elected Official charged with the responsibility of collecting delinquent taxes under Section 361.30 of the Columbus City Codes, I intend to impose said fees on delinquent taxpayers. This rule will become effective as of April 1, 2009.

Please be advised that should legal action be taken with regard to a delinquent income tax account resulting in a judgment in favor of the City, the matter will then be assigned to outside agents for collection. Any and all costs of collection will be added to that amount for which the City has taken judgment. At the present time, those additional collection costs equal 30% of the amount placed in collection.

If you wish to receive "web alerts" regarding City income tax matters that may impact your business or clients you may sign up at our web site www.columbustax.net. Please familiarize yourself with our web site and feel free to call or e-mail us with any questions.



City of Columbus

Legislation Report

Office of City Clerk
90 West Broad Street
Columbus OH 43215-9015
columbuscitycouncil.org

ORIGINAL

File Number: 0130-2009

30-Day

File Number: 0130-2009

File Type: Ordinance

Status: First Reading

Version: 1

Controlling Body: Judiciary And Court Administration Committee

File Name: Imposition of Collection Fee

Introduced: 1/21/2009

Requester: CITY ATTORNEY

Cost: \$ 0.00

Final Action:

Auditor Cert #:

Auditor: When assigned an Auditor Certificate Number I, the City Auditor, hereby certify that there is in the treasury, or anticipate to come into the treasury, and not appropriated for any other purpose, the amount of money specified hereon, to pay the within Ordinance.

Contact Name/No.: Nancy Weidman 5-6908

Floor Action (Clerk's Office Only)

FEB 23 2009

P7-0

I hereby certify that the above or attached is a true and correct copy of Ordinance No. passed by The Council of The City of Columbus Ohio 2/24, 20 09 as shown by the now on file in this office.

Seal

Andrea Blewins

Mayor's Action

WHP

FEB 24 2009

Mayor

Date

Council Action

FEB 23 2009

Date Passed/ Adopted

President of Council

Andrea Blewins

Andrea Blewins

City Clerk

Veto

Date

Title:

To authorize all City Department Directors and elected officials to amend their rules, regulations, or internal procedures to allow for the imposition of an administrative fee to cover the costs of delinquent debt collection by private collection agencies, and to allow for the imposition of that fee upon the delinquent debtor.

Sponsors:

Indexes:

Attachments:

Office as to its form and legality only.

Explanation

This Ordinance is submitted to allow the various City Departments and elected officials to impose an "administrative" fee for the collection of their delinquent accounts receivable to cover the cost of the services of a private collection agency.

Currently, delinquent accounts receivable which an individual Department, elected official, or the City Attorney's Office on their behalf, have been unsuccessful at collecting, are referred to one of two private collection agencies that this Council has approved. The City pays the agencies a fee for collecting the delinquent debt and the City recovers the amount due minus the agencies' fee.

Under this new process, the City would recover 100% of its outstanding debt, and the fee for collection services would be added to what the debtor owes the City.

Fiscal Impact: This is a self-supporting process. Funds brought in by the private collection agencies would be used to pay the agencies' invoice for services. Costs savings will be proportionate with the amount collected by the private agencies.

Title

To authorize all City Department Directors and elected officials to amend their rules, regulations, or internal procedures to allow for the imposition of an administrative fee to cover the costs of delinquent debt collection by private collection agencies, and to allow for the imposition of that fee upon the delinquent debtor.

Body

WHEREAS, this Ordinance would allow various City Departments and elected officials to impose an "administrative" fee to cover the cost of collection of their delinquent accounts receivable by private collection agencies, and

WHEREAS, the City Auditor and the City Attorney are recommending this new process as an appropriate, and fiscally responsible manner in which to recover the City's cost of collecting its delinquent debt from the actual debtors, rather than continue to pay those costs itself, now, therefore

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. That all Department Directors and elected officials, be and they are hereby authorized to impose an administrative fee on all delinquent accounts and other unpaid debts owed to the city, which fee shall be equal to the total costs and expenses of collecting such delinquent accounts and other debts which they may refer for collection, whether directly or through the City Attorney, to any private agency or other entity or individual. Such administrative fee shall be added to the amount of the delinquent account or debt collected at the same time and in the same manner by any such private agency, or other entity or individual. However, the amount of compensation for collecting such delinquent accounts or other debts to be paid to such private agency, entity or individual shall be based solely upon the original amount of the delinquent account or other debt referred for collection.

Section 2. That the City Attorney, be and hereby is, directed to amend his contracts with the City's current private collection agencies to provide for the additional collection, and remittance to the City, of said fee.

Section 3. That proceeds from all delinquent accounts or other debts which are collected by the City's private collection agencies shall continue to be remitted to the City and shall be deposited into Fund 295 established by the City Auditor for such purpose. Such deposits as the City may receive from time to time are hereby deemed to be appropriated, and the City Auditor is hereby authorized to pay such amounts thereof, in accordance with invoices approved by the City Attorney, to compensate the City's private collection agencies pursuant to their respective contracts for collection services.

Section 4. This Ordinance shall take effect and be in force and effect from and after the earliest period allowed by law.

INCOME TAX DIVISION
50 W. Gay Street, 4th Floor
Columbus, Ohio 43215-9037

CHANGE SERVICE REQUESTED

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